

NAWCWDINST 12430.2
731000D
20 June 2001

NAWCWD INSTRUCTION 12430.2

From: Commander, Naval Air Warfare Center Weapons Division

Subj: DEMONSTRATION PROJECT EMPLOYEE PERFORMANCE EVALUATION
SYSTEM

Ref: (a) NWC AdPub 017, Rev 1

Encl: (1) Performance Appraisal Procedures

1. Purpose. To provide guidance and procedure for the performance appraisal system for the Demonstration Project. This revision updates previous procedures for performance assessment.

2. Cancellation. NAVWPNCENINST 12430.2B.

3. Background. The Naval Air Warfare Center Weapons Division (NAWCWD) Demonstration Project, approved by the Office of Personnel Management, July 1980, included a performance evaluation system consistent with the provisions of 5CFR430. Specific guidance for performance evaluation is provided by reference (a) which specifies the rationale for evaluation and discusses the steps necessary to plan, monitor, and assess performance. This instruction expands on reference (a) and specifies the time frames and steps that must be taken to determine the performance rating for each employee under the Demonstration Project.

4. Policy. The policy of NAWCWD is to establish and maintain a performance appraisal program for its employees that will comply with 5CFR430. The program is intended to ensure that performance responsibilities for each employee's position are identified and communicated to the employee; to appraise each employee's work performance on a continuing basis using the established performance responsibilities and results; to use the results of appraisals, along with other pertinent information, as a basis for training, rewarding, reassigning, promoting, reducing in grade, retaining, removing, and/or assisting employees in improving performance; to strengthen the employee/supervisor relationship; and to improve overall productivity of the Center's civilian work force.

a. The time frame for actions:

(1) The official performance rating period under the Demonstration Project is 1 August through 31 July.

(2) Performance planning should be completed during September of each year.

(3) Scheduled performance monitoring should occur during December and April.

(4) Performance assessment and assignment of an official performance rating should occur during August.

b. The performance ratings are:

<u>Assessment</u>	<u>Rating</u>	<u>Definition</u>	<u>Salary Adjustment</u>
Highly Successful	1	Performance that is demonstrably exceptional—clearly deserving of recognition equivalent to a within level promotion.	c+4i or c+3i
	2	Quality performance that exceeds the fully successful standards.	c+2i
Fully Successful	3	Fully successful performance--meets the expected results of the performance plan—growth and progression normal for NAWCWD.	c+i or c
Less than Fully Successful	4	Below full successful. Corrective action needed.	c/2
	5	Substantially below fully successful. Serious performance deficiencies. Needs significant improvement for work to meet established standards.	0

5. Procedures. The procedures outlined in enclosure (1) will be used in effecting the policy of this instruction.

6. Responsibilities

a. Departments will ensure that:

(1) Supervisors develop annually a written performance plan for each employee covered by the project. The employee should be given the opportunity to participate in the development of his or her performance plan.

(2) The performance monitoring occurs in a timely manner.

(3) A Performance Review Board (PRB) process is developed and communicated to the employees.

(4) Performance ratings are certified and forwarded to the Human Resources Department by the date established in an annual memorandum. (Note: In some cases the report date may be changed.)

b. The Human Resources Department will:

(1) Provide necessary support to line management to accomplish performance planning, monitoring, and assessment.

(2) Issue Performance Rating Report (PRR) sheets to departments each year for documenting performance ratings.

(3) Issue the required Notification of Personnel Action, SF 50, to record pay changes and bonuses resulting from the performance rating and payout.

7. Reports. Report control symbol NAVWPNCEN 12430-1 is assigned to the PRR required by this instruction.

8. Directive Responsibility. The Head, Human Resources Department, Code 730000D, is responsible for keeping this instruction current.

/s/
M. J. Swaney

PERFORMANCE APPRAISAL PROCEDURES

1. Coverage. The provisions of this procedure apply to all Center employees covered by the Demonstration Project. Those serving under a temporary appointment not to exceed 120 calendar days are the only exceptions.

2. Definitions

a. Appraisal Period. The official period of time for which an employee's performance will be appraised.

b. Critical Elements or Responsibilities. A performance responsibility or component of an employee's job of sufficient importance that performance below the minimum level would constitute unacceptable performance for the employee regardless of performance on other performance responsibilities.

c. Downward Migration. The process by which the salary of an employee, who has received one or more 4 or 5 ratings with the attendant pay limitations, passes the bottom of his or her pay level, and the employee is considered to be in the lower pay level without specific adverse or performance based action.

d. Function. The continuing responsibilities or major parts of an employee's job. Usually the kind of work an employee does on many short-term tasks.

e. Minimum Level of Performance. The lowest acceptable level of job accomplishment, usually expressed as an expected result or standard on an improvement notice or warning of unacceptable performance.

f. Monitoring. The progress review process during the appraisal period.

g. Performance Appraisal Year. The Demonstration Project performance appraisal year is 1 August through 31 July.

h. Performance Assessment. A two-step appraisal process in which the supervisor measures the employee's accomplishments for the "performance responsibilities" against the "expected results" on the performance plan.

i. Performance Plan. The documented performance requirements for each employee, specifying the responsibilities and the expected results which will be used to assess and rate the employee.

j. Performance Rating. The formal numerical rating awarded to each employee annually.

k. Performance Responsibilities. The elements or components of the employee's position expressed as a task or functions to be performed.

l. Personal Activities and Capabilities (PAC). The description of the duties of the position to which an employee is assigned.

m. Task. A specific project or assignment, having a duration of more than 0.1 work year, that has clearly established parameters such as end product desired, time frames, milestones, and resource limits. Tasks are normally the product of an overall program plan.

n. Unacceptable Performance. Performance of an employee that fails to meet the minimum level established for one or more performance responsibilities that have been identified as critical elements. A performance determination that mandates removal of the employee from the position through reassignment, downgrade, or removal from the Federal Service.

o. Comparability (c). Annual adjustment of pay as determined by Congress.

p. Increment (i). A salary increase whose value is determined by a method given in reference (a), chapter 7, table 2.

q. Bonus (b). The bonus is a cash award equivalent to an increment. (See paragraph 7b of this enclosure for further information.)

3. Planning and Monitoring Performance

a. Individual performance plans will be completed for each employee covered by the Demonstration Project no later than the end of September of each year or within 30 days of the time the employee enters a new position during the performance period. The processes described in the Performance Evaluation System Handbook (reference (a)) will be followed for this purpose. NAVWPNCEN 12430/8, Performance Plan – Demonstration Project form, should be used. However, the form may be modified or alternative forms may be used as long as the responsibilities and the expected results are clearly indicated.

b. All performance elements listed in the "Responsibilities" column of the performance plan will be considered to be "critical elements" unless otherwise designated.

c. Performance plans for supervisors will include "Continuing Management Responsibilities" as an element listed in the "Responsibilities" section of their plans. It may be shown as a collective heading with a list taken from Appendix A of reference (a), or each management responsibility relevant to the supervisor's position may be written separately on the plan. In either case "Equal Employment Opportunity", "Maintaining Health and Safety", "Management Controls", and "Managing to Payroll" must be included. All continuing management responsibilities are considered critical elements.

d. The supervisor is responsible for the development of performance plans for subordinates; however, the method used to arrive at the completed plan is at the supervisor's discretion. While employee participation and mutual agreement in the planning process are strongly recommended, the final decision regarding the responsibilities and expected results rests with the supervisor. If an employee disagrees, he or she may so note on the plan per Appendix F of reference (a).

e. Since review of the PAC is an integral part of the performance planning process (see reference (a), chapter 2), separate certification of PAC accuracy is not necessary. The supervisor initials in the "Plans" column of the Performance Plan, NAVWPNCEN 12430/8, which constitutes classification maintenance review certification (required by SECNAVINST 12510.9).

f. Performance monitoring is scheduled for December and April of each year. The supervisor is responsible for assuring that adequate monitoring activities occur in a timely fashion; however, the schedule may be modified to meet the needs of the individual work groups. While December and April are designated as monitoring periods, supervisors are expected to provide continuous feedback to employees during the year. Chapter 5 of reference (a) provides guidance for this process.

g. At any time during the rating period that an employee does not meet the expected results on any responsibility, be it task or function, a problem solving team will be formed to identify the performance deficiencies and to develop corrective action (see paragraph 8). The employee will be notified in writing of:

- (1) Specific task(s) or function(s) of concern to the supervisor.
- (2) Expected results to be met for minimum level and fully successful level of performance.
- (3) Specific corrective actions that the employee must take to bring performance to a successful level.
- (4) Efforts that management will make to assist the employee in improving performance.
- (5) A reasonable time frame in which to correct the deficiency. At the end of the identified time frame, the employee's performance should again be assessed. If performance has not been corrected to a minimum level, action for unacceptable performance may be contemplated. The department Personnel Management Advisor (PMA) should be consulted at the start of this process.

4. Performance Assessment

a. Performance assessment must be done:

- (1) By the end of August each year for all covered employees.
- (2) For an individual employee when that employee changes positions through reassignment, transfer, or promotion during the performance rating period.
- (3) For an entire work group when a supervisor leaves that group.

b. The supervisor and employee will meet and discuss performance as it relates to the performance plan. Based on this discussion and the related facts, the supervisor will decide whether the employee Met, Exceeded, or Did Not Meet the expected results for each of the responsibilities listed on the plan. This decision will be noted on the front of the NAVWPN-CEN 12430/9, Performance Assessment – Demonstration Project form. These marks and the facts supporting them will then be summarized in the “Narrative Summary” part of the form and an overall assessment given: Highly Successful, Fully Successful, or Less Than Fully Successful.

5. Performance Rating

a. A performance rating must be given to every employee who has worked 120 calendar days or more during the rating period. Ratings must be given by the end of August each year. The following personnel will not receive ratings:

- (1) Employees who have entered-on-duty or were promoted to their current level less than 120 calendar days before the end of the rating period.
- (2) Employees who are in a leave without pay status for 246 calendar days or more.
- (3) Employees who are in an Office of Worker’s Compensation Program related leave status for 246 calendar days or more.
- (4) Employees who are in a sick or annual leave status for 246 calendar days or more.
- (5) Intermittent work as employed (WAE) employees who have worked less than the equivalent of 120 calendar days (87 workdays) during the rating period.
- (6) Employees in receipt of a warning notice of unacceptable performance as discussed in paragraph 3g of this enclosure.

b. After the overall assessment (see paragraph 4b of this enclosure) has been approved by the reviewer (second level supervisor), the Highly Successful appraisals will be forwarded to the appropriate Performance Review Board (PRB) according to departmental PRB guidelines (in

some cases the reviewer and PRB procedures occur concurrently). The PRB will decide what rating is appropriate (normally 1 or 2) and so note on the performance assessment form. The PRB will determine the salary adjustment (c+4i or c+3i) for employees assigned a 1 rating. The PRB will also decide on any bonus (b) to be awarded. (Note: Departmental PRBs may award a rating of 3; however, such cases should be rare.) The form will then be returned to the supervisor who will give a copy to the employee.

c. Fully Successful assessments will be officially rated 3 by the supervisor after the reviewer has signed and returned the form. The supervisor and the reviewer will also determine the salary adjustment (c or c+i) as well as bonus (b) if any, that the employee will receive. The supervisor will then give a copy of the form to the employee.

d. Less Than Fully Successful assessments will be addressed by an ad hoc problem solving team (see paragraph 8 of this enclosure). Normally, the supervisor, the reviewer, and the PMA will be involved. Each team's composition will be determined by the specific issues of the individual situation. The supervisor and the reviewer are responsible for this process. The team will:

- (1) Decide what corrective actions are required and take the necessary steps.
- (2) Decide which rating is appropriate (normally 4 or 5).

Once decided, the rating will be put on the assessment form by the supervisor and the employee will be given a copy along with notification as to the corresponding pay adjustment (c/2 or 0).

e. No Rating will be given to employees listed in paragraph 5a above. If appropriate, an employee may receive an assessment of work performed, and an overall assessment noted, but will not be given a formal rating. The overall assessment should include the reason for not giving a formal rating. The employee will receive the comparability pay increase unless he or she is in receipt of a warning of unacceptable performance. In such cases, he or she will be given no increase. For purposes of Reduction in Force (RIF), merit promotion, and training, employees listed in paragraphs 5a(1) through (5) will be considered "fully successful".

f. Code 731000D will provide each department with a PRR sheet. The department head, or individual(s) delegated, will indicate the rating given to each employee and authenticate by signing at the bottom on the sheet. These sheets must be returned to Code 731000D no later than 15 September of each year. Failure to submit the sheets on time will have an adverse impact on employee pay adjustments.

g. The completed performance plan and assessment forms must be retained by the supervisor for 3 years after the assessment/rating process has been completed. This file will be considered the Employee Performance File (EPF) prescribed by 5CFR293,D. Performance documents are not to be forwarded for inclusion in the Official Personnel Folder.

h. The supervisor is responsible for maintaining the EPF. Records will include: the current performance plan and the performance plan, performance assessment, and rating for the past 3 years. When an employee leaves the work group, the supervisor will forward the EPF to the new work supervisor, or, if the employee is leaving the Center, forward the EPF to the Human Resources Department via the PMA.

6. Reconsideration Request. Appendix F of reference (a) details the processes available to employees who wish reconsideration of:

- a. Their performance rating
- b. A 5 rating that causes migration to a lower classification level
- c. The payout received for a 1 or 3 rating

In all cases, the department PMA is available to advise both the supervisor and the employee on the process. Employee and Labor Relations Specialists will provide support and guidance to the management official who will review and make the decisions in such cases.

7. Performance Appraisal Relationship to Personnel Management Decisions

a. Promotions. To be eligible for promotion, an employee must:

- (1) Have received a rating of “3” (fully successful) or better on his or her most recent performance rating.
- (2) Have “met expectations” for each responsibility that is critical to performance.
- (3) If not (1) or (2), have a current summary assessment of “fully successful”.

b. Bonus Award. The bonus (b) is a cash award that may be given at performance rating time to any employee rated fully successful or better (see paragraph 2q of this enclosure). One to four b's may be awarded for short-term superior performance or a special act during the performance year. However, they are not to be used in place of i's as recognition for 1, 2, or 3 performance ratings. A cash bonus is not linked to the performance rating. There are not specific requirements as to how the bonus award will be made; rather, managers are given latitude for this decision. Examples of when a cash bonus could be an appropriate form of reward follow:

(1) Prudent salary management indicates that an employee is currently earning as much as or more than is warranted for that level of work, but the employee's performance during this rating period deserves additional recognition.

(2) Employees occupying positions of such a nature that “growth” in the sense of expansion of the job and the duties are not possible, and the employee is judged to have

currently a sufficient salary for that position but warrants additional recognition for this rating period.

(3) Employees who have performed assigned duties well over the past year but did not demonstrate professional or technical growth to the extent that continued performance at that level can reasonably be expected.

c. Special Achievement Awards. Special Achievement Awards may be used to recognize a special act or service by an employee or by a group of employees. The special achievement award may be cash, honorary, or both. When used to recognize a special act or service, the special achievement award is intended to recognize performance that exceeds job requirements as a one-time occurrence such as performance on a particular project or assignment, a creative effort that contributes to science or research, or an act of heroism. While the periodic appraisal provides the opportunity to review and assess how actual performance compares with standards set for the job, supervisors should also recognize employees through awards at other times. If the supervisor determines that recognition is merited, the recommendation should be submitted as soon as possible so the award will be timely. Quality Step Increases and Sustained Superior Performance awards are not available under the Demonstration Project.

d. Training. The performance appraisal system will be used as one of management's tools for making decisions regarding employee training. Planning for training for the next fiscal year is scheduled to take place at the performance monitoring session in April. Plans for training can thus take into account current performance levels and job requirements. By serving as a basis for determining training needs, the performance appraisal system can function as a vital management tool in promoting the efficiency and economy of operations.

e. Reduction in Force (RIF). The performance rating will be used as the primary factor for establishing the order of retention in competitive sub groups. Employees with 1 or 2 ratings will be placed at the top, those with 3 ratings will be placed next, and those with 4 or 5 ratings will be placed last. Within those three categories, the actual order of retention will be according to normal RIF rules. For more information on RIF procedures, see NAWCWDINST 12351.2.

f. Probationary Period

(1) Initial Appointment. The Office of Personnel Management regards the initial appointment probationary period as a final and highly significant step in the employee examining process. During this year, the employee's conduct and actual job performance can be closely observed. If it becomes apparent, after a full and fair trial, that the employee's conduct and/or performance capacity do not equip him or her for satisfactory service, action must be initiated to remove the employee from the Federal Service.

(2) Supervisory/Managerial Appointment. When an employee is appointed to a supervisory or managerial position for the first time, specific performance expectations must be developed and communicated. These performance standards must include relevant "Continuing Management Responsibilities". Failure to achieve a fully successful assessment in this element

will mandate that the employee be returned or reassigned to a non-supervisory position. To the extent that any other performance standards measure skills and abilities required for successful performance in supervisory and managerial positions, performance appraisals conducted under this performance appraisal program may serve as one of the tools used in making probationary decisions.

8. Problem Solving Team Role

a. The concept of the problem solving team (PST) was developed, to a large extent, on the existing PMA/supervisor relationship. It is a natural part of the ongoing role the PMA has in providing advice and assistance to supervisors in dealing with the performance deficiencies of their employees.

b. Along with the direct supervisor and the PMA, the reviewer (second level supervisor) is included to aid in the review process and in the development of corrective action. The reviewer's presence will ensure that all possible avenues are explored and will defuse potential arguments that the supervisor is "unfair" to the employee or making unreasonable requirements.

c. The purpose of the PST is to carefully review the deficiencies that have been identified in the performance assessment and to decide on a course of action that will correct them. The intent is for the core participants (i.e., supervisor, reviewer, PMA) to work with the employee to isolate the problem(s) and to design an appropriate corrective action, using any reasonable outside resources.

d. Outside resources could include: Civilian Employee Assistance Program representatives, union representatives, medical specialists, training specialists, or anyone who is qualified to deal with the specific problem(s).

e. There is no specified procedure that the PST must follow. Each case will be handled individually as its own special circumstances dictate. We presume that the team will meet and discuss the problem with the employee—whether this is done as a group or by a single individual is up to the team (whatever best serves the problem solving approach). Beyond that, the specific situation will determine the best course of action.